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CENTRAL INTELLIGENCE AGENCY

REPORT

INFORMATION REPORT

CD NO.

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COUNTRY

East Germany

DATE DISTR. 16 September 1955

SUBJECT

The Production Situation at VEB Funkwerk
Zittau and Other RFT Enterprises

NO. OF PAGES 4

PLACE
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DATE OF
INFO.SUPPLEMENT TO
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1. In February 1955, VEB Funkwerk Zittau received an unusual number of orders from the Ministry of Interior, Department of Procurement, Administration and Dispatching of Orders. The order for instruction material for the KVP to be produced by Funkwerk Zittau was increased about 50 percent. Other HV R-F-T (Main Administration of Radio and Telecommunications) enterprises had allegedly received similar orders. It appeared that preparations were being made for a general rearmament war. However, the situation, however, was still to be camouflaged. In late February, Herzberger (fnu), functioning as a deputy of Colonel Re... with Funkwerk Zittau about the delivery of 25 signal... to the...

2. Profit could be made with the... the conclusions reached at the... profitable operation of enter... could not be accepted. The plant said that there were en... able to cover the demand, even after the eventual estab... forces, unless military personnel of other peoples'... be trained on these sets. This would justify the new order. In answer to these objections, Herzberger stated that such an international training program was not included in the Prague Agreements for the Coordination of Armed Forces, and that the equipment was to be stockpiled.

3. In late February, Funkwerk Zittau was ordered by a telegram from HV R-F-T to inspect immediately a PFU 7-type automatic lathe displayed at the Polish exhibit at the Leipzig Fair. On sufficient justification, such a lathe possibly be supplied. In 1 March, the plant manager of Funkwerk Zittau with Boehm, chief dispatcher of the Ministry of Machine Construction, told him that another automatic lathe which was produced for about 25,000 by the Weimar Machine Works and was similar to the "Indexautomat" could be supplied for extra funds which were not included in the investment funds of Funkwerk Zittau. Funkwerk Zittau was also immediately to apply for two precision lathes and one plastic spraying apparatus for investment funds. Boehm explained that

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4. On 2 March, Funkwerk Zittau was informed by HV R-F-T that on that day, Erben (fau) would visit the plant as a special commissioner of the Dispatcher Department. The chief mechanic of Funkwerk Zittau, [redacted] the entire index file of machinery ~~was to be~~ available to Erben. ~~Upon the~~ arrival, Erben stated that he was to inspect all main departments of the Ministry of Machine Construction ~~for class I and II machine tools~~ available at ~~these companies~~ plants, and to see if the machine tools would be qualified ~~for a reconstruction~~ which, Erben explained, ~~was required~~ on account of political conditions. Erben was not permitted details. By order of Technical Manager Albrecht, Erben started inspection program with HV R-F-T. During the ~~inspection~~ ~~of the~~ ~~plant~~ ~~the~~ ~~main~~ ~~departments~~ ~~of~~ ~~the~~ ~~plant~~ inspect the machinery of the ~~Condenser Plant, Sachsenwerk Radebeul, Stern-Radio Rochlitz, Karl-Marx-Stadt Instrument Plant, Dörflein Plant for Electric and Radio Accessories (previously Ellinger & Geissler), Stern-Radio Rochlitz, Karl-Marx-Stadt Instrument Plant, Funkwerk Leipzig, FFW Leipzig and L~~ Condenser Plant, Sachsenwerk Radebeul, Stern-Radio Rochlitz, Karl-Marx-Stadt Instrument Plant, Dörflein Plant for Electric and Radio Accessories (previously Ellinger & Geissler), Stern-Radio Rochlitz, Karl-Marx-Stadt Instrument Plant, Funkwerk Leipzig, FFW Leipzig and L

(fnu), production manager of Funkwerk Zittau, informed the plant in early April that the new production plans for HV R-F-T enterprises would be published in about two weeks.

6. On 1 April, a meeting of plant managers of all HV R-F-T enterprises was held at the club house of Funkwerk Leipzig. The meeting was also attended by the commercial managers. Subject of the meeting was the profit of the enterprises during the first quarter of 1955. Having filled the production quota only with 45 percent, Funkwerk Koepenick, was the last of all RFT enterprises, and Funkwerk Zittau with 63 percent was second to the last. All other plants had filled their production quotas by 70 to 80 percent. Only Stern-Radio Roehlitz and Stern-Radio Stassfurt reached 100 percent because they had planned well and had forwarded their material requests for January 1955 in July and August 1954. Since no expansion of the production was required, these plants had been able to operate without difficulties. In all difficulties, it would be no problem for these radio factories to fill their production quotas. Supply difficulties, however, were expected for the second quarter of 1955, because the furniture industry did not produce enough cabinets for the radio sets. To meet requirements, three furniture factories were to be used. The next managers' meeting was to be held in Berlin on 14 April 1955.

7. According to a memorandum of Plant Manager Voigt (fnu), Sachsenwerk Radewerk had difficulties with the sale of televisions and SR in March. Sales conferences which had been initiated were / [redacted] ed by the Soviets.

Voigt (fnu) was ordered to travel to Moscow to represent East Germany at these conferences.

8. On 27 and 28 January 1960, a meeting of the State Planning Commission was held in the building of the State Planning Commission. The meeting was attended by the State Planning Commission members and representatives of the Ministry of Heavy Industry. The main task of the meeting was to discuss the measures for the production of consumer goods were discussed.

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10. Department Chief Rudolph (fnu), of the VPO plants for ~~unclassified~~
products in Berlin - Schoeneweide stated that no dates for the delivery
of ~~any~~ from Poland could be given by the Main Imports Department of the
DE (Internal and Foreign Trade). This seriously handicapped the
engineering-processing industry and production of brass, especially for
~~the engineering industry which had come to a dead stop.~~ The shortage of
aluminum continued.

duction of cons [redacted] case, [redacted]
all plant manag [redacted]
Boeer subsequent [redacted]
stated that the [redacted] Funkwerk Koepenick
to intrigue against each [redacted]
other. He believed that [redacted] party reasons for the reproof,
especially as Boeer was not only known as a loyal SED [redacted] as having been
honored for his work at Funkwerk Koepenick. It was [redacted]
not return to his position. In February 19 [redacted] Kurt [redacted]
back to Funkwerk Koepenick as assistant man [redacted]
of Plant II of Funkwerk Koepenick and then [redacted]
construction at the IV-R-F-T until January [redacted]
qualifications were far below those of Boeer [redacted]
Boeer's assistant manager. Heinz Anders, f [redacted] technical manager of
IV-R-F-T, did not return to his position [redacted] He was
also [redacted] referred to Funkwerk Koepenick where [redacted] chief of the
[redacted] these personnel changes are [redacted]

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became manager
worked for the

R-F-T Leipzig, later he became technical manager of the Plagwitz branch plant of Funkwerk Leipzig and after 1 January 1955, he was technical manager of Funkwerk Leipzig. Engel (fnu), former chief dispatcher of HV R-F-T, who had still been plant party secretary at the Leipzig Fair in Fall 1954 was committed for trial on 20 November 1954. In late March 1955, Seidel (fnu) became new chief dispatcher of HV R-F-T.

13. Plant Manager Niemann (fnu) who ~~has been assigned to this position only in~~ January 1955, was called back and replaced by one Reimann (fnu).

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14. There was still a serious shortage of deep-drawing sheets, bar steel and standard parts, although large quantities had been supplied in late December 1954. All plants of HV R-F-T employed many agents to produce the required material.
15. The technical quality of R-F-T products displayed at the Leipzig Fair in Spring 1955 had not changed from the products shown at the Fair in the Fall of 1954. The service for visitors was very poor this time. There was no butter available. The small quantities of coffee, Western food, and other goods were complained about bad quality and insufficient quantity. The number of restaurants was so small that visitors could not find a place to eat.
16. In May 1955, it was learned that during the fourth quarter of 1955, Funkwerk had produced 350 sets of the distress call receiver developed by Funkwerk. The standard price for one set was set at 1,000 marks. In April, however, it was decided that the receivers would be produced by Fernmeldewerk Arnstadt.

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these extra supplies were needed for certain preparations.

4. On 2 March, Funkwerk Zittau was informed by HV R-F-T that on that day, Erben (fnu) would visit the plant as a special commissioner of the Dispatcher Department. The chief mechanic of Funkwerk Zittau and the entire index file of machinery were to be available to Erben. Upon his arrival, Erben stated that he was to inspect all main departments of the Ministry of Machine Construction for class I and II machine tools available at their subsidiary plants, and to see if the machine tools would be qualified for a special operation which, Erben explained, was required on account of political conditions. Erben was not permitted to give further details. By order of Technical Manager Albrecht, Erben started the inspection program with HV R-F-T. During the following days he was to inspect the machinery of the Grossraeschen Rectifier Plant, Goerlitz Condenser Plant, Sachsenwerk Radeberg, Funkwerk Dresden, Radebeul Instrument Plant, Dorfham Plant for Electric and Radio Accessories (previously Ellinger & Geissler), Stern-Radio Rochlitz, Karl-Marx-Stadt Instrument Plant, Funkwerk Leipzig, FMW Leipzig and Leipzig Instrument Plant.
 5. In mid-March, Kaeding (fnu), production manager of the VEB Gerate- und Regler-Werke, Teltow, informed Funkwerk Zittau that his plant could no longer make any binding delivery terms, because the entire plant had started to work for the armament production. Seidel (fnu), chief dispatcher of HV R-F-T, informed the plant in early April that the new production plans for HV R-F-T enterprises would be published in about two weeks.
 6. On 1 April, a meeting of plant managers of all HV R-F-T enterprises was held at the club house of Funkwerk Leipzig. The meeting was also attended by the commercial managers. Subject of the meeting was the profit of the enterprises during the first quarter of 1955. Having filled the production quota only with 45 percent, Funkwerk Koeppenick, was the last of all RFT enterprises, and Funkwerk Zittau with 63 percent was the second to the last. All other plants had filled their production quotas by 70 to 80 percent. Only Stern-Radio Rochlitz and Stern-Radio Stassfurt scored 100 percent because they had planned well and had forwarded their material requests for January 1955 in July and August 1954. Since no conversion of the production was required, these plants had been able to operate without interruption. If no difficulties with the supply of material interfered with production, it would be no problem for these radio factories to fill their production quotas. Supply difficulties, however, were already expected for the second quarter of 1955, because the furniture industry could not produce enough cabinets for the radios scheduled to be manufactured. To meet requirements, three furniture plants would have to work at full capacity to produce radio cabinets. Manager Schenke (fnu), of Stern-Radio Rochlitz stated that the plant had a demand for 2,700 additional radio cabinets for the second quarter of 1955. The next managers' meeting was to be held in Berlin on 14 April 1955.
 7. According to a memorandum of Plant Manager Voigt (fnu), Sachsenwerk Radewerk had difficulties with the sale of television sets to the USSR in March. Sales conferences which had been initiated were suddenly postponed by the Soviets.
- [Redacted]
- Voigt (fnu) was ordered to travel to Moscow to represent East Germany at these conferences.
8. On 27 and 28 January 1955, a meeting of the radio industry was held in the building of the State Broadcast Committee. The meeting had been arranged by the State Planning Commission. New developments and long-range planning for the production of consumer goods were discussed.

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9. Since a fire had damaged the VEB Werk fuer Signal- u. Sicherungstechnik Berlin, at Elsenstrasse, Berlin Treptow, the Nordhausen Telecommunications Plant has been working on an emergency basis with its entire machine capacity for the Berlin Plant. On 1 March, a large fire broke out at the Coswig Saxony paper mill, damaging among other equipment the packing paper machine. On 1 April, R-F-T enterprises were informed by Coswig that the ordered packing paper could not be delivered for some time.
10. Department Chief Rudolph (fnu), of the VEB plants for ~~semifinished~~ products in Berlin - Schoeneweide, stated that no dates for the delivery of zinc from Poland could be given by the Main Imports Department of the DIA (German Internal and Foreign Trade). This seriously handicapped the entire zinc-processing industry and production of brass, especially for the shipbuilding program which had come to a dead stop. The shortage of aluminum continued.
11. In February 1955, in orders and memoranda of the Ministry of Machine Construction. Boeer, manager of Funkwerk Koepenick, was officially censured for the incorrect reporting of the production of consumer goods to the HV RFT. The censure was entered in his personal file. Because of Boeer's reports, it had been impossible to eliminate immediately the difficulties encountered in the production of consumer goods at Funkwerk Koepenick. As a result of this case, all plant managers were again ordered to make correct activity reports. Boeer subsequently reported himself sick. An engineer of Funkwerk Koepenick stated that the colleagues were obviously starting to intrigue against each other. He believed that there had been internal party reasons for the reproof, especially as Boeer was not only known as a loyal SED member but also as having been honored for his work at Funkwerk Koepenick. It was expected that he would not return to his position. In February 1955, Kurt Braesemann was transferred back to Funkwerk Koepenick as assistant manager, after having first been manager of Plant II of Funkwerk Koepenick and then a special representative for ship construction at the HV R-F-T until January 1955. Although his technical qualifications were far below those of Boeer, Braesemann hoped to replace Boeer as plant manager. Heinz Andreas, former second technical manager of HV R-F-T, did not return to his position. He was allegedly transferred to Funkwerk Koepenick where he became chief of the Development Department. According to rumors, these personnel changes are linked to the armament production program.
12. Albrecht (fnu), former technical manager of HV R-F-T, left his position on 26 March. He was to remain with the HV for special purposes. One Max (fnu), became manager by provisional appointment. Several years ago, Max had worked for the development and construction office of the former VEB R-F-T Leipzig, later he became technical manager of the Plagwitz branch plant of Funkwerk Leipzig and after 1 January 1955, he was technical manager of Funkwerk Leipzig. Engel (fnu), former chief dispatcher of HV R-F-T, who had still been plant party secretary at the Leipzig Fair in Fall 1954, was committed for trial on 29 December 1954. In late March 1955, Seidel (fnu) became new chief dispatcher of HV R-F-T.
13. Plant Manager Riemann (fnu) who had been assigned to this position only in January 1955, was called back and replaced by one Reimann (fnu).

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14. There was still a serious shortage of deep-drawing sheets, bar steel and standard parts, although large quantities had been supplied in late December 1954. All plants of HV R-F-T employed many agents to produce the required material.
15. The technical quality of R-F-T products displayed at the Leipzig Fair in Spring 1955 had not changed from the products shown at the Fair in the Fall of 1954. The service for visitors and displayers was very poor this time. There was no butter available and only occasionally very small quantities of coffee. Visitors from the two "capitalistic" countries complained about bad quarters and unfriendly and careless service at HO restaurants. The number of catalogs was so small that most customers could not be supplied.
16. In March, it was planned that during the fourth quarter of 1955, Funkwerk Zittau would produce 350 sets of the distress call receivers developed by Funkwerk Dabendorf. The standard price for one set was set at 1,000 Eastmarks. In early April, however, it was decided that the receivers would be produced by Fernmeldewerk Arnstadt.

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